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TAGS: PGOV PREL SENV PBTS MARR KGHG ETRD NO
SUBJECT: DEPUTY SECRETARY'S MEETING WITH NORWEGIAN FM
STOERE IN GREENLAND

Classified By: Regional Environmental Officer Erik Hall. For reasons 1.4 (b&d).

- 11. (C) Summary: In a May 28 meeting before the start of the Arctic Ocean Conference in Ilulissat, Greenland, Norwegian FM Jonas Gahr Stoere and Deputy Secretary Negroponte discussed Arctic issues, Afghanistan, Pakistan, cluster munitions, and, briefly, the Doha Round of trade negotiations. Stoere raised a lawsuit of great concern to Norway, pending in a Tampa district court, which Legal Advisor Bellinger pledged to look into. End Summary.
- 12. (U) Background: D was accompanied to this meeting by OES A/S McMurray, Department Legal Advisor Bellinger, D Special Assistant Wittenstein, and REO Hall. FM Stoere was accompanied by Joerg Willy Bronebakk, Norwegian Ambassador to Denmark; Rolf Einar Fife, MFA Legal Affairs DirGen; Torgeir Larsen, MFA Deputy Director General of the Minister's Secretariat; and Robert Kvile, MFA Deputy Director General for the High North, Resources and Russia.

Russia/High North/Arctic Issues

13. (C) FM Stoere expressed appreciation for U.S.-Norwegian intelligence cooperation and declared a "forward-leaning" Russia to be the focus of its "High North" policy. Stoere characterized Norway's bilateral relationship with Russia as "quite correct and constructive," citing energy potential in the Barents Sea and jointly managed fisheries as examples. He would be meeting with FM Lavrov in two weeks for talks on both sides of the border near Murmansk. Stoere noted that PM Putin had recently given a 10-year tax break to Russian oil and gas companies, reflecting the first dip in production. Analysis of international energy supplies might be another area in which the U.S. and Norway could cooperate, Stoere said. He also noted that Norway now supplies natural gas to the U.S. via its LNG facility in Hammarfest, which ships to Baltimore port. Asked by the Deputy Secretary about environmental cooperation with Russia, Stoere said there had been cooperation on environmental standards under the Law of the Sea (UNCLOS), but there is a need for new policies to match increased activity in the Arctic region. Russia had a strongly skeptical scientific tradition when it came to climate change, Stoere said.

- ¶4. (C) Turning to the Arctic Council, Stoere said Norway believed the Council should be made "more political, in the right sense of the word." He would try to convene a sub-ministerial meeting in the fall to do so, before Norway hands the AC chair to Denmark in March, 2009. The Council's technical groups work fine, but perhaps it would be useful to debate the implications of various studies, and briefly discuss the results of this conference. A/S McMurray said this was the first we had heard of such a meeting and asked for further details. She added that we have at times considered the AC as unwieldy for political discussions. smaller group such as the five states at this conference might be more conducive to political discussions. FM Stoere agreed, citing the U.S.-Norway North Atlantic dialogue as a model for discussion among friendly states. Asked by the Deputy Secretary about Canada, FM Stoere said Norway had a similar relationship with Canada, which was traditionally focused on indigenous issues, but strategic issues were now "on the rise." Norway and Canada have exchanged information on the Arctic continental shelf, he said.
- 15. (C) Asked whether the UNCLOS territorial claim commission would settle boundaries, FM Stoere said it is for states, not the commission, to settle overlapping claims by negotiation. Norway will have competing claims with Russia. Legal Advisor Fife said the southern part of their respective Arctic claims had the greatest potential to conflict. Asked about the Russians, FM Stoere said it appeared there were internal divisions within the Russian government over claims. The Duma is conveniently blamed by the Russian executive for being difficult. Asked by the Deputy Secretary if he was E suggesting creation of an alternate body to adjudicate claims, Stoere said no, Norway viewed the UNCLOS structure as adequate.
- 16. (C) The Deputy Secretary told Stoere the Administration continued to urge the U.S. Senate to ratify UNCLOS, and had nearly completed an internal review of U.S. policy in the Arctic. A/S McMurray added that existing policy, dating to 1994, needed updating to take into account changes due to climate change and other emerging priorities.

Afghanistan

17. (C) Turning to Afghanistan, FM Stoere said the June 12 meeting in Paris will be very important. Norway has increased its civilian, anti-corruption aid by 50 percent, and sees a need to coordinate international efforts in this area. The Deputy Secretary voiced strong support for new UN envoy Kai Eide. Stoere said the UN envoy needs a "political mandate to pick up the phones." Without progress, there is danger of "donor fatigue," Stoere warned, as Afghanistan becomes increasingly occupied with domestic infighting. He wondered how much that infighting reflected President Karzai's long term versus election-driven perspective. The Deputy Secretary said the long term perspective must include not just punishing corruption, but also the need to build capacity to implement the rule of law and effective policing. FM Stoere agreed, saying the U.S. emphasis on rule of law was "really important."

Pakistan

18. (C) Asked by the FM about his views on Pakistan, the Deputy Secretary said unresolved political tensions between Asif Ali Zardari and Nawaz Sharif had distracted them from countering militant activity. The Deputy Secretary said the U.S. would like to put our relations with Pakistan on a firmer footing, and to that end has invested \$150 million each year in a five-year program to support civilian institutions in the tribal areas. We are hopeful the Japanese and Saudi governments might offer additional support, he said.

Cluster Munitions

19. (C) The Deputy Secretary raised the issue of cluster munitions talks, mentioning the recent visit to Oslo of Acting U/S for Arms Control and International Security, John Rood. FM Stoere expressed hope that talks in Dublin would achieve consensus, saying discussions there had narrowed to the issue of definitions and the issue of interoperability "It was never our intention to seek a total ban," he said, "which would be impractical and unrealistic." Instead, Norway sought consensus including exceptions and adequate transition time of 8-10 years, he said. Interoperability is as important to Norway as to others, he said, and Norway had tried hard to find alternatives. The Deputy Secretary emphasized U.S. concerns over interoperability.

Court Case Against Statoil in Tampa

110. (C) FM Stoere raised an anti-trust class action suit lodged April 23 in a Tampa district court against Norway's Statoil, Mexico's Pemex, and Saudi oil companies. Statoil is facing a July response date. FM Stoere said the suit violated key principles of exclusive sovereign rights, and warned that it could negatively impact perceptions of investment security in the United States. Legal Advisor Bellinger told Stoere that the USG shared his concerns. The Department does not usually involve itself in these cases until they reach the appellate level, but would look into the case. Norwegian Legal Advisor Fife said Norway had shared its concerns in the IEA, and that a "nervous feeling is percolating through our systems and could begin to affect investments."

Doha Round

- 112. (C) FM Stoere said he would soon meet with USTR Schwab to discuss WTO negotiations. The Deputy Secretary said it does not look promising, and that Brazil was a concern, but that the U.S. had not given up hope.
- $\underline{\mathbf{1}}$ 13. (U) The Deputy Secretary's party reviewed this cable. CAIN